GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

STARRED QUESTION NO:257
ANSWERED ON:09.08.2000
SERVICE CONDITIONS OF PSUS EXECUTIVES
ANANT GANGARAM GEETE;DR. KIRIT SOMAIYA

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether the Government propose to make the service conditions of Executives, whole time Directors and Managing Directors of PSUs similar to that of IAS and IPS;

(b) whether the whole time Directors and CEOs of PSUswere allowed to join any private companies, competitors immediately after resigning/retiring from PSUs;

(c) if so, the norms in this regard; and

(d) the details of PSUs Directors who have resigned from the companies and joined the competitors during the last two years till date?

Answer

MINISTER OF STATE OF DEPARTMENT OF PERSONNEL AND TRAINING AND DEPARTMENT OF PENSION AND PENSIONERS` WELFARE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SMT. VASUNDHARA RAJE)

(a) to (d): A statment is laid on the Table of the House.

THE STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b), (c) & (d) OF THE LOK SABHA STARRED QUESTION NO.257 FOR REPLY ON 9.8.2000

(a): No, Sir.

(b) & (c): In April, 1969, the then Bureau of Public Enterprises (presently, Department of Public Enterprises) had issued some instructions on post-retirement employment of top level executives of PSUs. According to those instructions, if a top executive of a PSU on his retirement joins a private firm, no contract should be placed with that firm without the approval of the Board of Directors of the concerned Enterprise, for a period of two years following the retirement of that officer.

The Committee on Public Undertakings (COPU) (1998-99) in its 4th Report on `Senior level posts in Public Undertakings - Appointment and related matters` had recommended that the existing instructions on restrictions relating to post-retirement employment of top executives of PSUs should be reviewed/modified with a view to placing restrictions on the chief executives and Directors joining the competitors and private firms immediately after retirement.

Based on the recommendations of COPU, instructions have been issued by the Department of Public Enterprises on 25.1.2000 laying down that no Functional Director of a company including the Chief Executive who has retired from the service of the company, after such retirement, shall accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the company has or had business relations, within two years from the date of his retirement without prior approval of the Government.

(d): These details are not required to be maintained.